



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

FY-06-53

FOR IMMEDIATE RELEASE

OCTOBER 3, 2005

PSC APPROVES AGREEMENT REACHED IN MILL CREEK SEWERS, INC. RATE CASE

JEFFERSON CITY---Faced with the dilemma of granting a proposed rate increase under the current ownership or rejecting a proposed rate increase and putting customers of Mill Creek Sewers, Inc. at risk of receiving unsafe and inadequate sewer service, the Missouri Public Service Commission approved an agreement between the PSC staff and the company and two supplemental agreements between the PSC staff, the company and the Office of the Public Counsel. The agreements, as approved by the Commission, result in a rate increase that will generate increased annual operating revenues of approximately \$22,300 for Mill Creek Sewers, Inc. The sewer company originally sought an increase of approximately \$43,700 in its annual operating revenues.

Through the efforts of the PSC Staff and with the cooperation of Mill Creek's current owner, Mr. Joseph Afshari, Mill Creek's sewage treatment plant is now in satisfactory operational condition. Further, the current owner has contracted with Testing, Analysis & Control, Inc. (TAC) to operate the facility, and may also enter into a contract with TAC for the financial operations of the company.

The agreements approved by the Commission contain several operating and financial requirements that, if not met by Mill Creek, could result in the rate increase being rescinded. In that regard, a PSC staff complaint will be filed if staff finds that the operational funds of Mill Creek Sewers, Inc. are being misused. The new monthly rate reflects only the costs necessary for the operation and maintenance of Mill Creek's sewage collection and treatment system and its related business functions; it does not include a profit related to Mill Creek's investment in the treatment facility.

As a result of this rate case, residential customers will see their monthly sewer rate increase from \$5.00 a month to \$30.11 a month. This is the first increase in sewer rates for customers of Mill Creek Sewers, Inc. since the mid 1970's.

Mill Creek Sewers, Inc. serves approximately 75 sewer customers near Florissant, Missouri.